

This letter describes an occasional sale by the lessor of trucks. See 86 Ill. Adm. Code 130.110. (This is a GIL.)

September 27, 2001

Dear Xxxxx:

This letter is in response to your letter dated September 13, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Please let this letter serve as a formal request for a private letter ruling, regarding the following:

However, I shall first give you a brief run-down of the chain of events which brings this letter into your hands.

We are a corporation in Illinois which purchased five used work trucks from a U-Haul Company store in CITY/STATE. Immediately after purchase of said vehicles, we went to the facility at 99th and Martin Luther King Drive where we were instructed to fill out RUT-50 forms for each truck. At that time all appropriate taxes were paid in full along with plats and title transfer.

Six months later, (5-5-00) we received a letter (ETS-51) stating that we could possibly owe \$ 360.00 per truck additional. On reverse side of letter under heading (Reason for Assessment) states the following, 'That we may not have paid the correct amount of tax based on vehicles value.' So we sent a timely reply on 6-5-00 (See attached letter B).

On 6-30-00 we received an LTR-216 (See attached letter C).

On 9-28-00 we received an RA-52-11 (See attached letter D) of which we responded to on 10-24-00 (See attached letter E) of which we received on 11-12-00 a 10 Day Demand Letter (See attached letter F) on which we responded by phone.

After lengthy explanations we received on 1-16-01 a 10 Day Demand Letter (See attached letter G) of which we spoke with PERSON in person where all proof of payment and correspondence were hand delivered. Upon three to four week duration Marilyn instructed us to contact PERSON2.

All documentation was explained thoroughly and brought this to closure. However, we have just received on 7-10-01 a notice of intent to hold corporate renewal (See attached letter H) of which we contacted revenue tax specialist, PERSON3. After speaking to Diane and PERSON4, we were instructed to contact you.

Now that you have been made aware of all previous circumstances, please consider the following.

We are a business in Illinois which purchased used trucks from a business in STATE. It is the understanding that the U-Haul Company does not carry a dealer status as proposed by previous correspondence from the Illinois Department of Revenue. Thus making the original form RUT-50, that we were instructed to fill out by an Illinois Department of Revenue employee, without question, the proper form. It is my understanding that a dealership would legally require additional ST-556 forms or STATE similar.

These trucks were never leased, rented or used by this company until after date of purchase.

Bringing this gray area to closure.

It is our understanding that you purchased five U-Haul trucks from an STATE lessor of U-Haul Trucks. You indicated that these vehicles were purchased from a non-dealer in STATE. The RUT-50 that you originally filed with the Department is the proper form to use when paying tax in that type of instance. Use Tax is reported on the RUT-25. In your case, Use Tax was not due, however, because the vehicles were purchased from a non-dealer making an occasional sale. See 86 Ill. Adm. Code 130.110. Therefore, the RUT-25 that the Department told you to fill out was not the correct form.

The RUT-50 is the appropriate form on which to report and pay Vehicle Use Tax. Vehicle Use Tax is applicable to all vehicles of the 1st and 2nd division when the Use Tax does not apply. (The vehicles you purchased are vehicles of the 2nd division).

Any assessments issued because a RUT-25 was not filed have been canceled. The hold on the corporate renewal has been removed.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.